Federal Communications Commission 445 12th St., S.W. Washington, D.C. 20554

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DA 16-1408

Released: December 19, 2016

DOMESTIC SECTION 214 APPLICATION GRANTED FOR THE TRANSFER OF CONTROL OF OXFORD NETWORKS HOLDINGS, INC. TO OHCP NORTHEASTERN FIBER BUYER, INC.

WC Docket No. 16-222

Oxford Networks Holdings, Inc. (Oxford Holdings) and OHCP Northeastern Fiber Buyer, Inc. (OHCP Buyer) (together, Applicants) filed an application pursuant to section 214 of the Communications Act of 1934, as amended, and section 63.03 of the Commission's rules, requesting consent to transfer control of Oxford County Telephone & Telegraph Company, Oxford Telephone Company, Oxford West Telephone Company, Oxford County Telephone Service Company, Northeast Competitive Access Providers, LLC, Revolution Networks, LLC, and Freedom Ring Communications, LLC d/b/a BayRing Communications (together, Oxford Companies) from Oxford Holdings to OHCP Buyer. ¹

On July 14, 2016, the Wireline Competition Bureau (Bureau) released a Public Notice requesting comment on the Application.² On July 26, 2016, the Department of Justice (DOJ), with the concurrence of the U.S. Department of Homeland Security and the Department of Defense (collectively, the Executive Branch Agencies), filed a letter requesting that the Commission defer action on this proceeding while they completed their review of any national security, law enforcement, and public safety issues.³ We deferred action on the Application in response to the Executive Branch Agencies' request.

On December 15, 2016, the Executive Branch Agencies submitted a Petition to Adopt Conditions to Authorizations and Licenses (Petition).⁴ In the Petition, the Executive Branch Agencies advise the Commission that they have no objection to the Commission approving the authority sought in this proceeding, provided that the Commission "conditions its approval on the continued compliance by Oxford County Telephone & Telegraph ("Oxford") with the commitments and undertakings set forth in the attached April 28, 2014, Letter of Agreement ("Agreement") from Oxford to the DOJ."⁵ The DOJ filed the Petition and Agreement in WC Docket No. 16-222 on December 15, 2016.

¹ See 47 U.S.C. § 214; 47 C.F.R § 63.03. Domestic Section 214 Application Filed for the Transfer of Control of Oxford Networks Holdings, Inc. to OHCP Northeastern Fiber Buyer, Inc., WC Docket No. 16-222 (filed July 14, 2016) (Application). Applicants filed a supplement to their Application on September 6, 2016.

² Domestic Section 214 Application Filed for the Transfer of Control of Oxford Networks Holdings, Inc. to OHCP Northeastern Fiber Buyer, Inc., WC Docket No. 16-222, Public Notice, 31 FCC Rcd 7653 (WCB 2014).

³ See Letter from Kristin A. Taylor, Attorney, National Security Division, U.S. Department of Justice, to Marlene H. Dortch, FCC, WC Docket No. 16-222 (filed July 26, 2016).

⁴ Petition to Adopt Conditions to Authorizations and Licenses, WC Docket No. 16-222 and File No. ITC-T/C-20160708-00186 (filed Dec. 15, 2016).

⁵ *Id*. at 1.

The Bureau finds, upon consideration of the record, that grant of the Application, subject to compliance with the Agreement, will serve the public interest, convenience, and necessity. Consistent with Commission precedent, the Bureau accords the appropriate level of deference to the Executive Branch Agencies' expertise on national security and law enforcement issues. Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91, 0.291, the Bureau hereby grants the Application discussed in this Public Notice subject to compliance with the Agreement described above. A failure to comply with and/or remain in compliance with any of the provisions of the Agreement shall constitute a failure to meet a condition of this authorization and thus grounds for declaring the underlying authorizations terminated without further action on the part of the Commission. Failure to meet a condition of this authorization may also result in monetary sanctions or other enforcement action by the Commission.

Pursuant to section 1.103 of the Commission's rules, 47 C.F.R. § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 C.F.R. §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Dennis Johnson, Wireline Competition Bureau, Competition Policy Division, (202) 418-0809.

⁶ 47 C.F.R. § 63.03(b); see, e.g., Applications Filed for the Transfer of Control of tw telecom inc. to Level 3 Communications, Inc., Memorandum Opinion and Order, 29 FCC Rcd 12842, 12847, para. 14 (WCB/IB 2014) (finding that the combination of two competitive local exchange carriers (LECs) with largely complimentary networks could be a stronger competitor to the incumbent LECs and large national providers, thereby resulting in benefits for consumers).

⁷ The Commission considers national security, law enforcement, foreign policy, and trade policy concerns when analyzing a transfer of control or assignment application in which foreign ownership is an issue. *See Amendment of the Commission's Regulatory Policies to Allow Non-U.S. Licensed Satellites Providing Domestic and International Service in the United States*, Report and Order, 12 FCC Rcd 24094, 24170-72, paras. 178-82 (1997); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, IB Docket No. 97-142, Market Entry and Regulation of Foreign Affiliated Entities, IB Docket No. 95-22, Report and Order and Order on Reconsideration, 12 FCC Rcd 23891, 23919-21, paras. 61-66 (1997) (*Foreign Participation Order*), Order on Reconsideration, 15 FCC Rcd 18158 (2000). In assessing the public interest, the Commission considers the record and accords the appropriate level of deference to Executive Branch expertise on national security and law enforcement issues. *See Foreign Participation Order*, 12 FCC Rcd at 23919-21, paras. 61-66.